THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) yes, Sir.

(b) and (c) The recommendations of the Sixth Central Pay Commission are under examination of the Government.

Steps to manage fiscal deficit

3744. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

what are the plans of Government to bring fiscal deficit to 3 per cent and even further below as this step would prove an important factor to ensure all round growth;

whether the interest rate for investors be slightly increased so as to bring the saving rate around 35 per cent and its consequential impact to enhance investment rate to nearly 38 per cent; and

whether public expenditure in health, education, drinking water and other sectors in rural areas would be increased so as to further improve their quantitative and qualitative reach?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per the Union Budget 2008-09, the fiscal deficit is already budgeted to decline, as a percentage of GDP, from 3.1 per cent in 2007-08 (RE) to 2.5 per cent in 2008-09 (BE).

The interest rates in India are largely market determined except for certain small savings schemes. As per the Economic Survey 2007-08, the Gross Domestic Savings has already increased to a level of 34.8 per cent of GDP during 2006-07. The Gross Capital formation (Investment), during the same year had reached the level of 35.9 per cent of GDP.

The allocation to Ministry of Rural Development which is the nodal Ministry for schemes with a focus on rural development has been stepped up from Rs. 33,000 crore in 2007-08 (RE) to Rs. 38,500 crore in 2008-09 (BE). The Budget 2008-09 has also made provisions of Rs. 13,100 crore for Sarva Shiksha Abhiyan, Rs. 12,050 crore for National Rural Hearth Mission and Rs. 7,300 crore for Rajiv Gandhi Drinking Water Mission. In addition, extension of Mid-Day-Meal Scheme to all blocks of the country, extended coverage of National Rural Employment Guarantee Scheme and provision for Total Sanitation Campaign are expected to address the quantitative and qualitative reach of public expenditure to the rural areas.

Withdrawal of IPO

3745. SHRI MAHENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

whether it is a fact that uncertainty in stock markets has taken its toll on the Initial Public Offerings (IPO) market, with some companies withdrawing their public offering due to poor response from investors;

if so, what corrective measures have been taken by Government in this regard?

how-many times stock market crashed in the past one year and what have been the reasons each time;

whether Government is going to review its monetary policy; and

if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) During the period January 2008 to 24th April 2008 out of 21 IPOs only three have withdrawn while the rest have gone through successfully.

Success of an IPO depends on the prevailing market sentiment and investors' perception. As such, no government action is called for.

SEBI has informed that during the period April 1, 2007 to April 23, 2008 in 3 instances Sensex has fallen more than 5% and in 6 instances Nifty has fallen more than 5%.

Movement of stock market index cannot be attributed to any single factor. This depends on both domestic and global factors. Some of the significant factors possibly impacting market movement in the recent past include U.S. sub-prime mortgage issue, lowering of interest rates by the US Fed and rise in oil prices.

(d) and (e) Reserve Bank of India, as an independent monetary authority, is responsible for formulating the monetary policy.

Different interest rates for various categories of bank employees

3746. SHRI RAMACHANDRA KHUNTIA: Will the Minister of FINANCE be pleased to state:

whether there is any discrimination in the interest of Prime Landing Rate (PLR) loan, housing loan and car loan for State Bank Employees and Nationalised Bank Employees;

if so, the reason therefor;

whether it is a fact that State Bank of India officers and employees are getting 100 per cent pension whereas the Nationalised Bank officers are not getting second option for pension; and

if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) As per the Reserve Bank of India circular dated 1st July, 2005, Banks have freedom to fix lending rates for their own employees. The interest rate for loans to the employees are, therefore, decided by the Boards of the respective Banks.

(c) and (d) The officers and employees of State Bank of India are governed by the State Bank of India Pension Fund Rules, 1955. As per the provisions contained therein, the employees of State Bank of India are covered for pension. In the case of employees of the nationalised banks, pension was introduced in lieu of Contributory Provident Fund in 1995. As per the Scheme, employees were required to exercise the option for pension in lieu of Contributory Provident Fund within a period of 120 days from the date of notification of the Scheme *i.e.* 29.9.1995. There is no provision in the Bank (Employees) Pension Regulations, 1995 to exercise the option for pension thereafter.